

By DANIEL WALSH, Staff Writer, 856-649-2074

Posted: Wednesday, July 15, 2009

[Press of Atlantic City](#)

U.S. Rep. John Adler has introduced legislation in Congress that he says would increase oversight over Federal Housing Administration mortgages.

Adler, D-3rd, introduced the bill Thursday and announced it Tuesday, billing it as a modernization that would help the federal agency better underwrite mortgages and monitor lenders participating in the FHA's mortgage program.

His bill, HR 3146, calls for the establishment of a training program to ensure lenders do not shop between different FHA branches in search of approvals they want. It also creates a one-year monitoring period for lenders on single-family homes and clears the way for the secretary of housing and urban development to try pilot ideas to minimize foreclosures.

"It is vital to keep dangerous subprime lenders out of the system in order to ensure affordable mortgages for hardworking families," Adler said Tuesday.

Adler already has drawn three co-sponsors, with bipartisan support: U.S. Reps. Leonard Lance, R-7th; Chris Lee, R-N.Y., and Jim Himes, D-Conn. All four are members of the House Committee on Financial Services.

FHA's mortgage financing has increased drastically during the current recession, filling the role private lenders previously did. Adler said a modernization of the agency was necessary to deal with increased demand.